

Message Text

CONFIDENTIAL

PAGE 01 EC BRU 10626 282109Z

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ACTION EUR-12

INFO OCT-01 AF-08 ISO-00 NEA-10 EA-07 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00 CIEP-01

SP-02 STR-04 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01

DHA-02 ORM-02 IO-13 DODE-00 PM-04 H-02 L-03 NSC-05

PA-01 PRS-01 SS-15 USIA-06 HEW-04 DPW-01 /134 W

----- 125652

R 281827Z OCT 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 2203

INFO ALL EC CAPITALS 2655

AMEMBASSY ACCRA

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY COLOMBO

AMEMBASSY CONAKRY

AMEMBASSY COTONOU

AMEMBASSY DACCA

AMEMBASSY DAKAR

AMEMBASSY DAR ES SALAAM

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KHARTOUM

AMEMBASSY KINSHASA

AMEMBASSY LIMA

AMEMBASSY LUSAKA

AMEMBASSY MOGADISCIO

AMEMBASSY MAPUTO

AMEMBASSY PORT LOUIS

AMEMBASSY MONROVIA

AMEMBASSY MANILA

AMEMBASSY SAN

AMEMBASSY BEIRUT

C O N F I D E N T I A L EC BRUSSELS 10626

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 10626 282109Z

NOFORN

E.O.11652: GDS

TAGS: EAID EEC

SUBJECT: EC COMMISSION CEREAL FOOD AID PROPOSAL FOR 1977

REF: (A) EC BRUSSELS 3257 (NOTAL) (B) EC BRUSSELS 10457 (NOTAL)
(C) EC BRUSSELS A-451 (NOTAL) (D) EC BRUSSELS 8838 (NOTAL)
(E) EC BRUSSELS 10625 (NOTAL)

1. SUMMARY: THE MISSION HAS OBTAINED THE EC COMMISSION'S 1977 CEREAL FOOD AID PROPOSAL. THE EC COUNCIL IS EXPECTED TO ADOPT THIS PROPOSAL BUT THERE MAY BE QUESTIONS REGARDING THE AMOUNTS OF AID TO EGYPT AND BANGLADESH. NO PROGRAM IS PROPOSED FOR INDIA, BUT FOR THE FIRST TIME THE EC IS SUGGESTING A BILATERAL PROGRAM FOR THE DEMOCRATIC REPUBLIC OF VIETNAM (DRV). THERE ARE MAJOR INCREASES IN PROPOSED AID FOR EGYPT, PERU, TANZANIA, ZAMBIA, GHANA, ZAIRE, SRI LANKA AND INDONESIA. END SUMMARY.

2. THE MISSION OBTAINED ON A CONFIDENTIAL BASIS THE EC COMMISSION DRAFT CEREAL AID FOOD PROGRAM FOR 76/77. COMMISSION OFFICIALS ASKED US TO KEEP THE INFORMATION CONFIDENTIAL. PLEASE TREAT THIS MATERIAL AS NOFORN. THE EC COUNCIL WILL PROBABLY ACT ON THE PROPOSAL BEFORE THE YEAR END. THE PROPOSAL AMOUNTS TO 720,500 MT WHICH IS THE COMMUNITY-FINANCED SHARE OF THE EC'S PLEDGE UNDER THE FOOD AID CONVENTION. MEMBER STATES WILL PROVIDE 566,600 MT BRINGING THE TOTAL EC PLEDGE TO 1,287,000 MT. AT THIS TIME, COMMISSION OFFICIALS DO NOT KNOW HOW THE NINE WILL ALLOCATE THEIR SHARE OF THIS PLEDGE.

3. COMMISSION OFFICIALS DO NOT EXPECT THAT THE COUNCIL WILL HAVE DIFFICULTY WITH THE PROPOSAL BECAUSE THE TOTAL EC ALLOCATION IS THE SAME AS LAST YEAR (SEE REF A). THEY BELIEVE, HOWEVER, THAT THE COUNCIL MAY QUESTION THE THREE-FOLD INCREASE IN CEREAL FOOD AID TO EGYPT (SEE REF B) AND THE PROPOSED 130,000 MT FOR BANGLADESH. IN LIGHT OF REPORTS OF FOOD AID LOSSES DUE TO INADEQUATE STORAGE FACILITIES IN BANGLADESH, THE COMMISSION IS PLACING A RESERVE ON THIS PROGRAM FOR THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 10626 282109Z

TIME BEING. (MISSION IS REPORTING EC PLANS REGARDING SHIPMENTS TO BANGLADESH. SEE REF E.) COMMISSION OFFICIALS NOTE THAT THERE HAS BEEN A SUBSTANTIAL SHIFT IN FOOD AID DONATIONS FROM ASIA TO AFRICA AND THE MIDDLE-EAST. THIS IS MAINLY DUE TO INDIA'S DECISION NOT TO REQUEST AID FOR 1977. (DURING 1976 INDIA IS SCHEDULED TO RECEIVE 175,000 MT OF COMMUNITY-FINANCED CEREALS.)

4. THE EC HAS PROPOSED FOR THE FIRST TIME A BILATERAL AID PROGRAM TO THE DRV. AS INDICATED IN REF D, DRV OFFICIALS HAVE BEEN NEGOTIATING SUCH A PROGRAM FOR SEVERAL MONTHS. SEVERAL WEEKS AGO THE DRV DECIDED TO SUBMIT A FORMAL APPLICATION. THIS YEAR THE EC HAD GRANTED THROUGH INTERNATIONAL ORGANIZATIONS 15,000 MT OF CEREALS FOR REFUGEE RELIEF IN VIETNAM.

5. THESE OFFICIALS ADD THAT IF THE COUNCIL ADOPTS THE COMMISSION'S THREE-YEAR FOOD AID PROGRAM (SEE REF C), THE PROPOSED AMOUNT OF CEREAL FOOD AID WOULD BE INCREASED. IN SUCH A CASE, THE COMMISSION WOULD REVISE UPWARD ITS PROPOSED ALLOCATIONS, BUT OFFICIALS HERE DO NOT BELIEVE THIS IS LIKELY. THEY SAY THE FRG IS OPPOSED TO THE THREE-YEAR PROGRAM BECAUSE OF FINANCIAL COSTS INVOLVED AND ITALY IS AGAINST IT BECAUSE IT DOES NOT WANT TO INCREASE ITS SHARE OF EC FOOD AID. THE OTHER MEMBER STATES REPORTEDLY FAVOR THE MEDIUM-TERM PROGRAM, BUT THE OPPOSITION OF TWO MEMBERS IS EXPECTED TO BLOCK IT.

6. THE FOLLOWING IS THE COMMISSION PROPOSAL FOR CEREAL FOOD AID PROGRAMS FOR 1977:

COMMISSION PROPOSAL - CEREALS FOOD AID PROGRAM FOR 1977
(COMMUNITY MEASURES)

----- 1977 PROGRAM -----

COUNTRY OR ORGANIZATION	FINANCING ARRANGEMENTS	1976 PROGRAM
I. COUNTRIES	490,500	325,500
LATIN AMERICA	15,000	2,500
PERU	15,000 FOB	2,500

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 EC BRU 10626 282109Z

EASTERN AFRICA	66,000	45,500
MAURITIUS	5,000 FOB	5,000
MOZAMBIQUE	15,000 CIF	5,000
SOMALIA	25,000 CIF	25,000
SUDAN	10,000 FOB	7,000
TANZANIA	5,000 FOB	2,000
ZAMBIA	6,000 CIF	1,500
WEST & CEN. AFR.	46,000	16,000
BENIN	2,500 FOB	1,000
GHANA	5,000 FOB	
GUINEA	3,500 FOB	
LIBERIA	1,000 FOB	
CAPE VERDE	7,500 CIF	5,000
SENEGAL	7,500 FOB	

ZAIRE	20,000 CIF	10,000
MIDDLE EAST	130,000	44,000
EGYPT	75,000 FOB	24,000
JORDAN	18,000 FOB	14,000
YEMEN A.R.	6,000 FOB	6,000
LEBANON	25,000 CIF	
YEMEN P.D.R.	6,000 FOB	
ASIA	237,500	217,500
BANGLADESH	130,000 CIF	150,000
PAKISTAN	35,000 FOB	35,000
SRI LANKA	30,000 FOB	15,000
PHILIPPINES	7,500 FOB	2,500
INDONESIA	10,000 FOB	
VIET-NAM	25,000 CIF	15,000
II. ORGANIZATIONS	120,000	105,000
WFP	55,000 FREE AT DEST.	50,000
UNICEF	15,000 FREE AT DEST.	15,000
UNRWA	35,000 FREE AT DEST.	25,000
ICRC	15,000 FREE AT DEST.	10,000

III. RESERVES 110,000 30,500

IV. OTHER - 247,000

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PAGE 05 EC BRU 10626 282109Z

V. GRAND TOTAL 720,500 708,000
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REGIONAL ORGANIZATIONS, FOREIGN ASSISTANCE, GRAINS, FOODS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 OCT 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ECBRU10626
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760403-0929
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761010/aaaaaier.tel
Line Count: 204
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: NOFORN
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: NOFORN
Reference: 76 EC BRUSSELS 3257, 76 EC BRUSSELS 10457, 76 EC BRUSSELS A-451, 76 EC BRUSSELS 8838, 76 EC BRUSSELS 10625
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2004 by ElyME>; APPROVED <02 AUG 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION CEREAL FOOD AID PROPOSAL FOR 1977
TAGS: EAID, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006